



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

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Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

m/049/024
✓ m/049/009

FACSIMILE COVER SHEET

DATE: Feb 14, 2003

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 3

TO: Richard Schreiber or Steven Park or Christopher Arnold
Dimeling, Schreiber & Park
1629 Locust St
Philadelphia PA 19103

FAX NUMBER: 215-546-9160 - phone 215-546-8585

FROM: D Wayne Hedberg

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Notice of Division Directive - 1-29-03 letter -
Trixie Mine (m/049/024) & Burgin Mine (m/049/009)

REMARKS: ON FEBRUARY 6, 2003 WE MET WITH MR.
UNDERWOOD AT THE CHIEF CONSOLIDATED OFFICE IN
EUREKA, UTAH. HE INFORMED US THAT OUR CERTIFIED
LETTER OF JANUARY 29, 2003 WAS FORWARDED TO
YOUR OFFICE FOR RESPONSE. TO DATE, WE HAVE
NOT RECEIVED THE GREEN CARD CONFIRMING
YOUR RECEIPT. WE ARE FAXING THE LETTER TO YOU
ANTICIPATING A PROMPT REPLY. THANK YOU.

Should you encounter any problems with this copy or do not receive all the pages, please call.

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

TRANSACTION REPORT

P. 01

FEB-14-2003 FRI 01:45 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
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TOTAL : 1M 1S PAGES: 3



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January 29, 2003

CERTIFIED RETURN RECEIPT

7099 3400 0016 8896 2765

John E. Henderson
Chief Gold Mines, Inc.
P.O. Box 51
15988 Silver Pass Road
Eureka, Utah 84628

Re: Notice of Division Directive, Failure to Comply with Regulatory Requirements, Chief Gold Mines, Inc. & Tintic Utah Metals Inc., Trixie Mine & Burgin Mine, M/049/024 & M/049/009, Utah County, Utah

Dear Mr. Henderson:

On October 8, 2002, the Division received your time extension request seeking additional time (until October 31, 2002) to provide our office with the updated \$57,900 reclamation surety for the Trixie Mine. We approved of the extension by letter dated October 24, 2002. Since then, several phone conversations have occurred between you and Division staff, with little assurance of when or if, the surety will be filed with this office. As you know, the new surety amount was originally due on February 8, 2002. The Division has granted several time extensions to Chief Gold Mines, Inc. since that date. A year has almost passed since the original due date was established for receipt of this revised surety amount.

On September 20, 2002, the Division sent you a letter concerning your August 12, 2002 request to dispose of Trixie Mine mill tailings over the Burgin Dump rather than at the Dry Stack Tailing disposal area. Certain timeframes were established as a condition to our acceptance of this proposal for reclamation to be completed by October 31, 2002 and seeding prior to winter. To date, we have received no confirmation from you that these requirements have been met at the Burgin Mine Complex.

Accordingly, you are hereby directed to contact the Division within 10 days of your receipt of this letter to schedule a meeting to discuss options to remedy these concerns.

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John E. Henderson

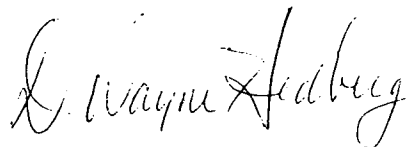
M/049/024 & M/049/009

January 30, 2003

Please contact Vicki Southwick, Executive Secretary, at (801) 538-5304 to arrange a meeting with the Associate Director to resolve this matter. Your failure to respond accordingly may result in the issuance of a formal Notice of Agency Action. This enforcement action would require the mine operator to appear before the Board of Oil, Gas and Mining during a formal public hearing in Salt Lake City to defend your failure to comply with our regulatory requirements.

If you have any questions regarding this notice, please contact me at (801) 538-5286, or Tom Munson at 538-5321. Thank you for your immediate attention to this matter.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg".

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

cc: Mary Ann Wright, DOGM
Tom Munson, DOGM

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